



3015 (02-09-04)

ANNUAL REPORT

OF

Name: WAVERLY SANITARY DISTRICTPrincipal Office: W7191A HIGHWAY 10 & 114
MENASHA, WI 54952For the Year Ended: DECEMBER 31, 1997**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I CATHERINE M GIRDLEY of
(Person responsible for accounts)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

OFFICE MANAGER _____
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAVERLY SANITARY DISTRICT**Utility Address:** W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**When was utility organized?** 8/21/1972**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: CATHERINE M GIRDLEY**Title:** OFFICE MANAGER**Office Address:**W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: RAYMOND B REWALT**Title:** CERTIFIED PUBLIC ACCOUNTANT**Office Address:** ERICKSON AND ASSOCIATES SC1000 WEST COLLEGE AVENUE
APPLETON, WI 54912**Telephone:** (920) 733 - 4957**Fax Number:** (920) 733 - 6221**E-mail Address:****Date of most recent audit report:** 12/31/1997**Period covered by most recent audit:** 1996

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: CATHERINE M GIRDLEY**Title:** OFFICE MANAGER**Office Address:**W7191A HIGHWAY 10 & 114
MANASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:**

Name: DAVID A VICK**Title:** SYSTEMS OPERATOR**Office Address:**W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:**

Name: DONALD A DOULE**Title:** COMMISSION PRESIDENT**Office Address:**W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:**

Name of utility commission/committee: WAVERLY SANITARY DISTRICT COMMISSION

Names of members of utility commission/committee:

DONALD A DOULE, PRESIDENT

LAURIE J FULCER, COMMISSIONER

WILLIAM C HELEIN, SECRETARY

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** YES**Date of Ordinance:** 9/1/1983**Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	234,433	209,439	1
Operating Expenses:			
Operation and Maintenance Expense (401)	148,473	147,321	2
Depreciation Expense (403)	36,589	32,758	3
Amortization Expense (404)	0		4
Taxes (408)	4,507	5,067	5
Total Operating Expenses	189,569	185,146	
Net Operating Income	44,864	24,293	
Income from Utility Plant Leased to Others (412-413)	0		6
Utility Operating Income	44,864	24,293	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0		7
Nonoperating Rental Income (418)	0		8
Interest and Dividend Income (419)	3,697	2,190	9
Miscellaneous Nonoperating Income (421)	38	282	10
Total Other Income	3,735	2,472	
Total Income	48,599	26,765	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0		11
Other Income Deductions (426)	0		12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	48,599	26,765	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	12,582	13,590	13
Amortization of Debt Discount and Expense (428)	628	678	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0		16
Other Interest Expense (431)	0		17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	13,210	14,268	
Net Income	35,389	12,497	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(118,351)	(130,848)	19
Balance Transferred from Income (433)	35,389	12,497	20
Miscellaneous Credits to Surplus (434)	0		21
Miscellaneous Debits to Surplus--Debit (435)	0		22
Appropriations of Surplus--Debit (436)	0		23
Appropriations of Income to Municipal Funds--Debit (439)	0		24
Total Unappropriated Earned Surplus End of Year (216)	(82,962)	(118,351)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST ON CHECKING SAVINGS ACCOUNT	3,697	4
Total (Acct. 419):	3,697	
Miscellaneous Nonoperating Income (421):		
REALTOR ASSESSMENT INFORMATION FEES	38	5
Total (Acct. 421):	38	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	234,433	0	0	0	234,433	1
Less: interdepartmental sales	209		0	0	209	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	234,224	0	0	0	234,224	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	3,172,267	2,986,581	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	278,209	241,620	2
Net Utility Plant	2,894,058	2,744,961	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0		5
Other Investments (124)	140,111	154,559	6
Special Funds (125)	30,905	25,860	7
Total Other Property and Investments	171,016	180,419	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	69,817	42,181	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0		10
Customer Accounts Receivable (142)	20,340	17,684	11
Other Accounts Receivable (143)	(140,111)	(154,559)	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	4,905	4,905	14
Materials and Supplies (150)	1,371	1,081	15
Prepayments (165)	3,838	2,457	16
Other Current and Accrued Assets (170)	46,776	41,888	17
Total Current and Accrued Assets	6,936	(44,363)	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	2,457	3,085	18
Extraordinary Property Losses (182)	0		19
Other Deferred Debits (183)	0		20
Total Deferred Debits	2,457	3,085	
Total Assets and Other Debits	3,074,467	2,884,102	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	216,917	160,529	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(82,962)	(118,351)	23
Total Proprietary Capital	133,955	42,178	
LONG-TERM DEBT			
Bonds (221)	166,500	182,250	24
Advances from Municipality (223)	0		25
Other long-Term Debt (224)	0		26
Total Long-Term Debt	166,500	182,250	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0		27
Accounts Payable (232)	808	9,298	28
Payables to Municipality (233)	264,899	237,843	29
Customer Deposits (235)			30
Taxes Accrued (236)	1,331	1,134	31
Interest Accrued (237)	971	1,056	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	268,009	249,331	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0		36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	2,506,003	2,410,343	38
Total Liabilities and Other Credits	3,074,467	2,884,102	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	3,172,267	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	3,172,267	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	278,209	0	0	0	9
Total Accumulated Provision	278,209	0	0	0	
Net Utility Plant	2,894,058	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	241,620				241,620	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	36,589				36,589	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	988				988	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
METER DEPRI TO SEWER UTILIT`	(988)				(988)	12
Total credits	36,589	0	0	0	36,589	13
Debits during year						14
Book cost of plant retired					0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	278,209	0	0	0	278,209	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant				0	1
Other (specify):				0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)				0	3
Net Nonutility Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	1
Other					0	2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	1,371	1,081	2
Sewer utility			3
Gas utility			4
Merchandise			5
Other materials & supplies			6
Total Materials and Supplies	<u>1,371</u>	<u>1,081</u>	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1991 GO REFUNDING BONDS	628	1	2,457	1
Total			<u><u>2,457</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	160,529	1
Changes during year (explain):		
GENERAL FUND MAIN LOOPING METERING PIT	56,388	2
Balance end of year	216,917	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
GO REFUDNING BONDS	02/01/1991	02/01/2003	6.00%	166,500	1
Total Bonds (Account 221):				166,500	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	1,134	1
Accruals:		
Charged water department expense	4,507	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	4,507	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	3,973	7
PSC Remainder Assessment	337	8
Other (explain):		
NONE		9
Total payments and other debits	4,310	
Balance end of year	1,331	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
GO REFUNDING BONDS	1,056	12,582	12,667	971	1
Subtotal	1,056	12,582	12,667	971	
Advances from Municipality (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE				0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE				0	4
Subtotal	0	0	0	0	
Total	1,056	12,582	12,667	971	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	2,410,343					2,410,343	1
Add credits during year:							
For Services	14,326					14,326	2
For Mains	63,823					63,823	3
Other (specify):							
HYDRANTS	15,923					15,923	4
ANNEXATION ASSESSMENT PAYMENT	1,588					1,588	5
Deduct charges (specify):							
NONE						0	6
Balance End of Year	2,506,003	0	0	0	0	2,506,003	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	139,383					139,383	7

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
ASSESSMENT RECEIVABLE	140,111	2
Total (Acct. 124):	140,111	
Special Funds (125):		
MORTGAGE REVENUE BOIND FUND RESTRICTED	30,905	3
Total (Acct. 125):	30,905	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	20,340	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	20,340	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
ASSESSMENT RECEIVABLE OFFSET TO ACCOUNT 124	(140,111)	11
Total (Acct. 143):	(140,111)	
Receivables from Municipality (145):		
1995 UNDERCHARGE ADJUSTMENT	4,905	12
Total (Acct. 145):	4,905	
Prepayments (165):		
PREPAID INSURANCE	3,838	13
Total (Acct. 165):	3,838	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
TEMP BORROWING FROM GENERAL ASSESS & SEWER	264,899	16
Total (Acct. 233):	264,899	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	3,001,654	0	0	0	3,001,654	1
Materials and Supplies	1,226	0	0	0	1,226	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	259,914	0	0	0	259,914	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	2,458,173	0	0	0	2,458,173	6
Other (specify):						
NONE					0	7
Average Net Rate Base	284,793	0	0	0	284,793	
Net Operating Income	44,864	0	0	0	44,864	8
Net Operating Income as a percent of						
Average Net Rate Base	15.75%	N/A	N/A	N/A	15.75%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	188,723	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(100,656)	3
Other (Specify):		4
Total Average Proprietary Capital	88,067	
Net Income		
Net Income	35,389	5
Percent Return on Proprietary Capital	40.18%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

TWO SUBDIVISIONS WERE INSTALLED AND ACCEPTED DURING 1997

STILLMEADOW CONDOMINIUMS 38 SERVICES 19 LOTS

PROVINCE TERRACE BUSINESS PARK 7 SERVICES

CONTINUED SUBDIVISION DEVELOPEMENT IS ANTICIPATED

4. Estimated changes in revenues due to rate changes.

AN INCREASE IN REVENUE IS ANTICIPATED DUE TO THE 7/1/1997 AUTHORIZED
STEP II WATER RATE INCREASE

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

THE WATER MAIN LOOPING PROJECT AND THE METERING PIT INSTALLATION
PROJECT WERE COMPLETED AND ACCEPTED DURING 1997

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant (Page F-07)

October 28, 1998

Ms. Catherine M. Girdley, Office Manager
Waverly Sanitary District
W7191-A Hwy 10 and 114
Menasha, WI 54952-9419

Re: Review of Depreciation Expense in 1997 Annual Report File DWCCA-6335-JPL

Dear Ms. Girdley:

Paragraph No. 3 of our letter dated October 14, 1996, with regard to analytical review of the 1995 annual report, authorized a revised schedule of depreciation rates which was enclosed with that letter, to be effective on January 1, 1997. Based upon depreciation accruals on page F-7, lines 4-9, these revised rates were apparently not used during 1997. Enclosed with this letter is a copy of the new depreciation rates. Please note that these depreciation rates should be used beginning in 1998. If you have any questions, please feel free to contact me at (608) 266-1282.

Sincerely,

James P. Luckow
Depreciation Specialist
Division of Water, Compliance, and Consumer Affairs

JPL:tlk:w:\compl\luckow\other\letters\waverly.doc

Enclosure

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

Report filed manually by utility. Revised to conform to system, keyed & edited by PSC staff.

4/27/98

PJL

July 1, 1998

Ms. Catherine Girdley, Office Manager
Waverly Sanitary District
W7191-A Highway 10 & 114
Menasha, WI 54952

Re: 1997 Analytical Review DWCCA-6335-PJL

Dear Ms. Girdley:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1997 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. As of today's date, our office has not received a response to our letter of December 30, 1997 concerning our review of your 1996 annual report. Please provide your response to that letter at this time.
2. During our review of the Interest Accrued schedule on page F-16, we noted that the \$1,056 reported for the first of year balance in column (b) of line 3, plus the \$12,582 interest accrued during the year in column (c), minus the \$12,497 interest paid during the year in column (d), does not total to the \$971 you report for the end of year balance in column (e). Due to this discrepancy, the balance sheet does not balance in our copy of the report. Please explain and provide all related annual report corrections.
3. During our review we noted that while you report meters as retired during the year in column (d) of the Meters schedule on page W-16, you do not report any retirements during the year for account 346, Meters in column (e) of line 30 of the Water Utility Plant In Service schedule on copy 2 of page W-9. Please explain.
4. The Commission is now using a computerized system to build an annual report database. It is, therefore, important to have a complete and correct annual report. The following changes have been made in our copy of your annual report. Please confirm these changes or indicate the necessary corrections:

FINANCIAL SECTION FOOTNOTES

Page
Lines
Column
Reported As
Should Be

F-15 Tot Acc & Oth Credits b 5,641 4,507
F-19 1 b & f 3,079,424 3,001,654
F-19 Ave Net Rate Base b & f 361,337 284,793
F-19 Net Op Inc % of Rt Bse b & f 12.42 15.75

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

pjl:W:\COMPL\LEEGE\6335 ar\bhh

WATER OPERATING REVENUES & EXPENSES

Particulars (a)		Amounts (b)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)		228,908	1
Total Sales of Water		228,908	
Other Operating Revenues			
Forfeited Discounts (470)		421	2
Other Water Revenues (474)		5,104	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues		5,525	
Total Operating Revenues		234,433	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)		92,748	5
General Operating Expenses (680-690)		55,725	6
Total Operation and Maintenance Expenses		148,473	
Other Operating Expenses			
Depreciation Expense (403)		36,589	7
Amortization Expense (404)			8
Taxes (408)		4,507	9
Total Other Operating Expenses		41,096	
Total Operating Expenses		189,569	
NET OPERATING INCOME		44,864	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	610	26,550	160,850	4
Commercial	15	1,936	8,316	5
Industrial	2	342	1,534	6
Total Metered Sales to General Customers (461)	627	28,828	170,700	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		57,691	8
Other Sales to Public Authorities (464)	2	6	308	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)	1	22	209	12
Total Sales of Water	631	28,856	228,908	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	57,691	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	57,691	
Forfeited Discounts (470):		
NONE	421	5
Total Forfeited Discounts (470)	421	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	2,146	6
Other (specify):		
SEWER PORTION OF METER DEPRECIATION	988	7
RECONNECTION FEES	420	8
CONSTRUCTION PERMIT FEES	1,550	9
Total Other Water Revenues (474)	5,104	
Amortization of Construction Grants (475):		
NONE		10
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	21,492	1
Purchased Water (610)	64,477	2
Fuel or Power Purchased for Pumping (620)	357	3
Chemicals (630)		4
Supplies and Expenses (640)	2,106	5
Repairs of Water Plant (650)	3,596	6
Transportation Expenses (660)	720	7
Total Plant Operation and Maintenance Expenses	92,748	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	32,159	8
Office Supplies and Expenses (681)	4,662	9
Outside Services Employed (682)	4,629	10
Insurance Expense (684)	4,714	11
Employees Pensions and Benefits (686)	9,206	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	355	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	55,725	
Total Operation and Maintenance Expenses	148,473	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security	ALLOCATED ON GROSS PAYROLL	4,170	3
PSC Remainder Assessment		337	4
Other (specify): NONE			5
Total tax expense		4,507	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>0</u>	<u>0</u>	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	
 TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	41,901	10,809	24
Structures and Improvements (341)			25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			52,710 24
Structures and Improvements (341)			0 25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)	1,880,814	201,071	27
Fire Mains (344)			28
Services (345)	550,356	14,326	29
Meters (346)	54,193	4,533	30
Hydrants (348)	228,932	32,742	31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	2,756,196	263,481	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)	27,816	77,717	34
Office Furniture and Equipment (372)	12,644		35
Computer Equipment (372.1)	4,999	27	36
Transportation Equipment (373)	20,540		37
Other General Equipment (379)	8,847		38
Other Tangible Property (390)			39
Total General Plant	74,846	77,744	
Total utility plant in service directly assignable	2,831,042	341,225	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	2,831,042	341,225	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			2,081,885 27
Fire Mains (344)			0 28
Services (345)			564,682 29
Meters (346)			58,726 30
Hydrants (348)			261,674 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	3,019,677
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			105,533 34
Office Furniture and Equipment (372)			12,644 35
Computer Equipment (372.1)			5,026 36
Transportation Equipment (373)			20,540 37
Other General Equipment (379)			8,847 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	152,590
Total utility plant in service directly assignable	0	0	3,172,267
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	3,172,267

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January	3,052			3,052	1
February	2,634			2,634	2
March	3,540			3,540	3
April	3,092			3,092	4
May	3,265			3,265	5
June	3,981			3,981	6
July	3,598			3,598	7
August	3,932			3,932	8
September	3,740			3,740	9
October	3,709			3,709	10
November	2,851			2,851	11
December	4,174			4,174	12
Total for year	41,568	0	0	41,568	
Less: Measured or estimated water used in main flushing and water treatment during year				1,200	13
Less: Other utility use				58	14
Other utility use explanation:					15
FIRE DEPT USE FOR DRILLS AND FIRES					
Water pumped into distribution system				40,310	16
Less: Water sold				28,856	17
Losses and unaccounted for				11,454	18
Percent unaccounted for to the nearest whole percent (%)				28%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
CURRENTLY UNDER INVESTIGATION POSSIBLE CAUSE IS A FAULTY METER					
Maximum gallons pumped by all methods in any one day during reporting year				149	21
Date of maximum: 8/7/1997					22
Cause of maximum:					23
FLUSHING HYDRANTS AND DISTRIBUTION MAINS					
Minimum gallons pumped by all methods in any one day during reporting year				85	24
Date of minimum: 1/22/1997					25
Total KWH used for pumping for the year				1	26
If water is purchased: Vendor Name: TOWN OF MENASHA SANITARY DISTRICT 4					27
Point of Delivery: CORNER OF HIGHWAY 10 & 114					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-------------------------	--	----------------------------------	--	---	--

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Identification Number (b)	Intakes		
		Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)

NONE

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
P	D	6.000	23,849				23,849
P	D	8.000	30,650	6,733			37,383
P	D	10.000	26,913				26,913
Total Within Municipality			81,412	6,733	0	0	88,145
P	D	6.000	1,363				1,363
P	D	8.000	13,769	2,188			15,957
P	D	10.000	3,031	718			3,749
Total Outside of Municipality			18,163	2,906	0	0	21,069
Total Utility			99,575	9,639	0	0	109,214

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
L	1.000	871	36			907	279	1
P	2.000	1				1		2
P	4.000	1				1		3
Total Utility		873	36	0	0	909	279	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	676	50			726	54	1
0.750	2				2		2
1.000	5	2			7		3
2.000	5	1			6		4
Total:	688	53	0	0	741	54	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	605	12		2	1	106	726	1
0.750						2	2	2
1.000	5		1			1	7	3
2.000		3	1			2	6	4
Total:	610	15	2	2	1	111	741	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	37	7			44	1
Within Municipality	159	12			171	2
Total Fire Hydrants	196	19	0	0	215	
Flushing Hydrants						
					0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	148
Number of distribution system valves end of year:	543
Number of distribution valves operated during year:	164

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Line # 2: The 30%+ increase is due to the districts growth in its active developments and also the operation and related costs of Waverly Sanitary Districts emergency water supply connection with the city of Appleton as of 3/7/97. (Metering Pit)

Line # 5: The 30%+ decrease reflects a reduction of purchased supplies for the district.

Line #6: The 30%+ decrease represents the curbstop repair work that was approximately 1/2 of the 1996 curbstop repair work.

Line # 7: N/A since the amount is less than \$2,000.00.

Line # 10: The 30%+ decrease reflects the reduction of engineering services the district required during 1997 in comparison to prior year.

Line # 14: N/A since the amount is less than \$2,000.00.

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-08)

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Line # 24 (Col. C): The \$10,809 addition reflects the final land payment for property purchased during 1996. Final payment occur 1/1/97.

Line # 27 (Col. C): The \$201,071 addition includes two completed development projects: Province Terrace and Still Meadow Condominiums. Also included are the completed transmission/distribution water main looping and the metering pit installation projects that were recorded in Construction in progress.

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Line # 29 (Col. C): The \$14,326 addition reflects the Still Meadow Condominium and the Province Terrace development projects services.

Line # 30 (Col. C): Explanation not required, amount less than \$10,000.

Line # 31 (Col. C): The \$32,742 addition reflects hydrants added during 1997 for the two installed/accepted development projects - Still Meadow Condominiums and Province Terrace. Also included is the transmission main looping/metering pit completed project from Construction in Progress Account.

Line # 34 (Col. C): The \$77,717 addition reflects the completed transmission main looping and metering pit project from Construction in Progress Account.

Line # 36 (Col. C): Explanation not reequred - amount less than \$10,000.

Line # 45 (Col. C): This reduction was required since the total amount has been included in account # 343 (Transmission and Distribution mains) and # 348 (Hydrants) as additions for 1997. Construction work has been completed.

Water Mains (Page W-15)

Col. E: Additions reflect the two completed/accepted subdivisions (Still Meadow Condominiums and Province Terrace) and were not financed by the Sanitary District. These additions were considered as Contributions in Aid of Construction - paid by the land developers.

The main additions for the transmission main looping and the metering pit projects were financed by the Sanitary Districts general fund.

Water Services (Page W-16)

Line #2 (Col. d): The service additions are paid by the developer.

The basis of recording is the installed cost per the contractor's final cost and quantity statement.

The total amount is \$14,326.00 - reflecting the 36 count.
